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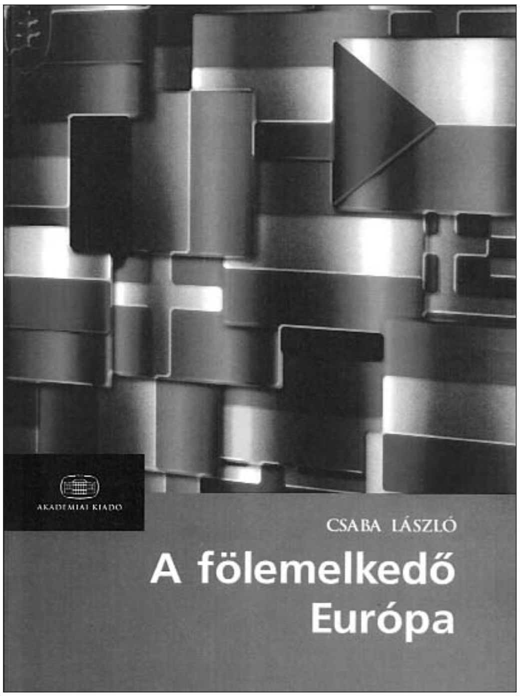
László Csaba

The rising Europe



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Readers of *László Csaba*'s voluminous book will find it a particularly meaningful and exciting review of world economy. The author presents a huge set of facts, an unusually large variety of literary references, features an inclination to discuss views different from his own, builds theory, and endeavours to verify these theories most consistently. These qualities deserve respect, or better, appreciation.

The author calls *rising Europe* the countries of central Europe having completed their process of political change with more or less success, and investigates the regularities of their transition. In that process he brings new countries and groups of countries into his increasingly widening spectrum, and as he rises higher and higher he recognises correlations of greater and more general application.

Even though his main tool is economic analysis, he confidently draws on the knowledge of other sciences and disciplines, involving the results of these in his investigations. This renders his analyses more finely shaded, richer, and at certain points positively exciting.

Reviews written about the English edition of the book, whose most important observations the author shares with the readers of the Hungarian edition at the appropriate point in his line of thought (footnotes on pp. 15, 214, 355, 386, and 402) highlight his consistent analytical framework concerning the groups of countries, developments, and correlations investigated as perhaps László Csaba's major merit.

We may regard this all the more a virtue as The rising Europe is the summary of at least four books in a single volume, so in spite of the author's repeated statement this is a multi-subject rather than a single-subject treatise.

■ The first analysis is about the transformation and the performance of the transition countries, and has the main message that the (East) Central European countries having joined the EU in 2004 (plus Croatia) should not be equated to Eastern European countries (member countries of the Commonwealth of Independent States), with countries of South-East Europe, and Central Asia. László Csaba calls the countries in the first group the rising Europe, and that is why it is strange, moreover, even somewhat misleading that the cover of a book with this title displays the flags also of the states of the so-called old Europe (e.g. France, Belgium, Germany). The mere name of rising Europe is contradictory since '*... the rift of development between the transition countries and the West has widened on the whole and in general over the last one decade and a half.* That means that the difference, measured in dollars, has increased rather than reduced.'[1] (page 39) Moreover: '*There isn't the slightest trace of the so frequently mentioned convergence:* while some EU countries converge with other member states, others lag behind, and while there is no sign of the richest ones beginning to slow down (in a way that others can catch up), while the economy of some of the poor countries continues to grow slowly.' (page 40)

This part of the book is the richest in statistics (and additional information). The author apparently presents, and explains UN statistics, while the numbers are only needed as an excuse: László Csaba has such in-depth knowledge of the economy, and the development of former socialist countries, and their leaders – sometimes taking their positions in rapid succession, – and the reviewer (who, as the majority of Hungarian economists would feel embarrassed having to put e.g. Turkmenistan on a blind map) can only bow in respect seeing this amount of knowledge.

Professor Csaba argues with great emphasis that the common socialist past is an increasingly weak explanation for the development curve, and the economic and social performance of the transition countries. Their development diverges because they allowed to varying degrees the open market to strike root, and the level of sophistication, stability, and effectiveness of their economic institutions is also different.

In fact one cannot be satisfied with the performance of central-European countries either: 'despite external capital market funding gaining ground and the increasing presence of operating capital' the system of resource allocation is not effective (p. 53), and the maintenance of general access to welfare systems inevitably results in high levels of public contributions, and that in turn leads to low employment rates. (p 56) In both cases the problem is a regulatory (governmental) rather than market failure!

■ The second major conceptual unit is the part dealing with the European Union. The EU, which seemed an example to follow in the first chapters even for leading transition countries is suddenly unmasked if looked at from a short distance: serious structural and equilibrium problems, reluctance to face up difficulties, the economies and the societies of member countries are sometimes distorted by opportunistic/corporativistic deals. The EU is mistaken also as an institution: e.g. by maintaining the common agricultural policy it partly wastes (and passes on to the richer producers) its scarce common budgetary resources, and partly conserves the uncompetitiveness of the sector leaving it to its own devices. However, the EU has at least one success story (i.e. one in addition to the creation of the single market), namely the Euro. Under that heading the author primarily discusses institutional/regulatory correlations. He submerges into detailed discussions concerning the importance and the virtues of the EU Stability and Growth Pact, and reprimands the member states that do not comply with their commitments undertaken in that Pact.

■ The next conceptual unit presents the recent development in Russia and China. The author has selected these two countries as he regards them good control groups to evaluate the performance of the East-Central European states. László Csaba's most important message in conjunction with the former is apparently that Russia does not stick out of the group of the transition countries. It is true that it embarked later on its process of political changes, but even the transformation crisis did not last significantly longer and was not any deeper than generally east of the Elbe, and the same basic regularities may be recognised there as anywhere else in this group of countries. The introductory part of the chapter presenting China has a weighty message: the author summarizes/repeats the innate problems of the failed Soviet type development model, and the main ingredients of its unsustainable character. László Csaba does not question China's practically unique economic performance, but labels it unsustainable and – what the writer of the present review finds much more important in our case – unrepeatable. He ascribes this latter – among others – to Chinese traditions, claiming that – let us put it that way – *business thinking* could never be eliminated from these traditions. He attributes a similarly important role to the high level of independence of Chinese regions, and to the intermediate forms of ownership characteristic of China.

▫ The last two chapters of the book, i.e. the fourth conceptual unit repeats, and generalises the significance of regulation and of the institutions. The author formulates recommendations much to the liking of the reviewer:

- Regulation must serve the public good, thus it is preferable that the state rather than the Mafia or multinationals pay public officials and judges;
- Some duties cannot be outsourced from state administration as they can fall prey to partial interests;
- As many as possible self-regulating mechanisms and bodies are necessary that can play their roles with much lower transaction costs (lawyers' fees) than traditional institutions including courts of justice.

When approaching László Csaba's latest book from the economic theory point of view, one can state that he enriches the liberalism represented by him for a long period by the elements of new institutional economics. The author brings an abundance of examples from recent history to illustrate that the market only operates properly if there are stable, effective, and reliable institutions to ensure that the public good should assert itself. The recipe of economic policy resulting from that is also to be considered by all transition countries, even though such consideration may be embarrassing: compliance requires the discipline of all actors of the economy. Of course it primarily requires it from the state, which is traditionally most inclined to give priority to momentary interest (including even crazy ideas) against economic regularities or the long-term public good. That kind of voluntarism was not only characteristic of former socialism in the transition countries, but may be experienced on a daily basis in mature market economies as examples that illustrate the feebleness of governments. That lesson is worthwhile learning in a country where the government (and occasionally even the parliamentary majority) 'was/is angry' at institutions or heads of institutions such as the national bank, the prosecutor's office or the financial supervisory agency…

However, good institutions impose discipline not only on states but also on market actors: they can put an end to the abuse of economic power, and prevent some groups (mainly trade unions and NGOs) from imposing their interests on the majority as an instance of corporativism.

It follows from the above that public administration should by far not be relegated to the background: on the contrary, it should be equipped with more effective tools.

It is true at the same time that its authority should be curtailed. '… in transition countries, similarly to most emerging markets, central administration should be strengthened rather than minimised. That is the only way in which *case-processing administration, day-to-day mentoring, supplementary actions/activism can be repressed, moreover, in a systemic fashion.* Reducing the economic role of the state, then, requires the strengthening of public administration […] more effective market coordination may be the basis of the improved quality of bureaucratic regulation, and those mutually strengthening processes are exactly the key to the success of the leading-edge economies.' (p. 135)

In agreement with the majority of the profession László Csaba represents the view that restoring economic equilibrium is the primary task of economic policy: '*… we see no single case where growth returned prior to or – let alone – without stabilisation.*' However, he is also clear about the fact that it is a necessary but not sufficient condition: '… stabilisation itself will not generate lasting growth, especially not one faster than that of developed states.' (p. 43)

It is a particularly important lesson for the readers of the Public Finance Quarterly that the '… "great rift" among the transition countries mostly coincides with the line of the success or failure of their financial system.' (p. 112). That is because '… the benefit of an inherited banking relation' may survive for some time in a process of transition into a market economy, which, of course, works against economic effectiveness. It is therefore not at all by chance that '… *the more resolutely* a transition country *cut the umbilical cord connecting state administration to enterprises, the more successful it could become later.*' (p 134)

László Csaba argues that the state should establish the system of institutions and the set of regulations to guarantee the healthy representation of market forces, and should then operate the former, and ensure the unbroken compliance with the latter. The responsibility of economic policy meanwhile is to secure equilibrium. Moreover, the author, formulating recommendations from the EU's Stability and Growth Pact goes as far as not entrusting this to economic policy, but prefers to integrate it straight in the Constitution so that '… the Ministry of Finance should have the duty of levelling off public finance over the full cabinet term.' (footnote to p. 257) Agreeing that that would '… fuel the slowing down of self-destructing populism' (p. 257), which would be a truly commendable outcome, we would be worried not about the requirement itself, but about never-ending professional debates expected to break out in conjunction with the assessment of compliance with the regulation.

By ensuring the *ordo-liberal* structure, and equilibrium I find that the economic responsibilities of the state have not yet ended, especially not in a country now emerging or still in transition. In disagreement with professor Csaba I reckon that there is a third field – possibly called economic strategy – between the two where there is really no need for 'hustle-bustle' by the state (p. 336), while there is a need to determine the main directions of development and the required resources. If there were a country that could afford leaving its enterprises to their own devices – apart from complying with the above regulations – it would be the most developed market economy. The writer of the present review has experienced several times over a short period spent in public administration that the heads of state and the diplomats of these countries never shrink back from a little bit of hustle-bustle if the interests of an 'important' company in their country so requires. Any minister of finance of any government after the political changes could, of course, quote a long list of such cases. But even international press including the liberal *Economist* mentions names like *Halliburton* or *Bechtel* in the same context…

There are numerous other examples questioning the necessity of narrowing down the role of the state, stated by László Csaba as follows (among others): 'A civilised market economy is where the normal operation of the market is controlled and protected on a constitutional basis, while the state is the *regulator and the arbitrator, but by no means the administrator,* it is not a manufacturing entity, nor the representative of partial interests, nor the doctor of individual heartaches.' (p. 121) Well, not many countries fit that description, even if we ignore other cases like Alitalia, or Crédit Lyonnais, quoted elsewhere by the author. Let us just think of regional policy in general, or of the agricultural policy of many countries and the EU, or the support granted to the so-called social economy. In other words, economic policy representing purely the public good void of the influence of any partial interests could sooner be a theoretical fiction than the practical test of whether a market economy is civilised.

The writer of the present lines regards it more as the measure of the civilisation level of the market economy the extent to which that market economy is able to represent various interests, and harmonise them/find the common aliquot. That is why we cannot categorically reject the practice of countries relying heavily on reconciling interests, bargaining, as the aggregate performance of these is not necessarily any worse than of those where little or no such interest reconciliation exists. It is worthwhile looking at the competitiveness rankings of countries to see that Scandinavian countries, topping the interest reconciliation list, do not perform badly at all…

I am of course aware of the fact that for small countries with open economies there is no alternative to integrating as fully as possible into the international division of labour, and trying to attract operating capital. Surely, authors quoted by László Csaba are right in claiming that '…the more powerfully a country manages to hand its financial sector in foreign hands' the likelier it is that '…the favourable effects of trans-nationalisation will ripple on.' (p. 134, footnote). And how much profit trans-nationalisation will bring, and how wide a circle of the economy it will reach, and how much profit it generates in the host country (and how much of it will remain there), how lasting it will be are issues in which economic strategy, and economic management may have a role to play.

From among the many kinds of valuable lines of thought in the chapters on the European Union we find worthwhile highlighting the one – due to its relevance to economic strategy – that encourages that Hungary should aim at more than simply the optimum position in a given situation when bargaining with the EU. László Csaba quotes Attila Ágh in agreement, when the latter thinks that the countries of the rising Europe 'should reasonably support the reform camp because their real national interests are not net transfers equalling some tenth of a % of the GDP, but primarily *the sustenance, and improvement of the operability of the EU, and better representation of interests through joint action.*' (p. 230) In other words, Hungarian politicians should rise to the 'founding fathers' of European integration, and '… work on creating the European community formed by long-term goals, and value-based aspects.' (p. 230)

In all his scientific functions (university professor, leader of doctoral schools, chairman or member of editorial boards of magazines/papers, main character or simply the opponent of economists at their defence of the title Academy Doctor) László Csaba always does his work meticulously honouring the people he meets on such occasions with a detailed critique. The reviewer cannot deny the same gesture from professor Csaba, and must direct attention to some specific errors, or mistakes of the book (the genre being review, the following can merely be a selection).

The author writes the following concerning the exception whereby the decision on the introduction of the Euro is left with the member state (the so-called *opt-out*): '...several of the old ones – Denmark, Ireland, Great Britain, and Sweden – take advantage of it.' (p. 168) The option of staying out is only granted in the protocols attached to the Maastricht Treaty to the United Kingdom, and Denmark, and no one else. Sweden, as is commonly known purposefully fails to meet the Maastricht convergence criteria in order to postpone accession. Ireland was happy to introduce the Euro in 1999 together with the majority of the then member states. We must note also that – unlike it is stated on page 237 – not the two richest countries of the EU remain outside the Euro zone. Neither was Spain a late joiner to the Euro zone. (p. 40)

'The role of the EP continues to be one of deliberation, and approval, but following the Amsterdam and the Nice Treaty its authority of co-decision has increased, *particularly as regards personal and financial issues.* (p. 184) It may be subject to dispute just how genuine the EP's role is in EU decision making, or if it continues to be primarily a deliberative and approving role; one thing is certain, however, that the jurisdictions of the EP have broadened in strict monotony in the history of EU integration so far. An important fact, however, is that the EP has no right of co-decision in either personal, or financial (fiscal) issues. Co-decision is a procedure specified in § 251 of the Treaty Establishing the European Community, which has, by today, become the most frequently applied form of creating EU legislation. In personal issues the EP has the right of approval, and in budgetary questions a characteristic procedure is used.

The book intermingles the concept of stability and convergence. On p. 282, in footnote 9 it refers to the German convergence programme submitted in 2004. As a member of the Economic and Monetary Union (EMU) Germany had to prepare not a *convergence* but a *stability* programme. The former is the regular 'homework' for member countries intending to enter the EMU.

'The transforming agricultural policy of the EU is coming increasingly in overlap with the environmental objectives. It is commonly known that no community resources are allocated to the latter ...' (p. 195) Well, even though environmental policy unlike agricultural policy belongs not under *common*, but under *community* policy, quite significant funds are earmarked annually for such purposes. Half of the whole Cohesion Fund finances environmental investments, moreover, other resources (e.g. the so-called structural funds) are likewise available for that area.

Readers dealing with the EU will certainly be puzzled to learn that László Csaba uses the word Council to refer to the European Council rather than the body of ministers (first on p. 14), or that he mixes up directives and guidelines (e.g. on p. 242). The Stability and Growth Pact is not the attachment to the Nice Treaty (treaties, as it happens, have protocols and declarations rather than attachments attached to them – p. 238), and not even the attachment to the EU Treaty (pp. 248, 280, 283), however, they are nevertheless binding documents. In Nice the list of majority decisions was not shortened, instead, it was further extended. (p. 252). What they organised in Laeken was a *summit* not an *intergovernmental conference* (p. 213).

'When awarding the 2004 Nobel Prize for economics the Stockholm Riskbank could not and perhaps did not even intend, even this time, to distance itself from the apparently most important challenges of the age.' a statement on page 273. Well, the prize was indeed established by the Riksbank (the Swedish national bank), but they are not the awarding organisation because they managed to 'distance themselves' to the extent where they actually transferred that right to the Swedish Royal Academy of Sciences.

■ It is not fortunate to use the definition given in the book for the GDP, a fundamental category of economics. It says: The GDP includes '... all activities that have a price'. (p. 42) Work in the household as mentioned by the author is really not part of the GDP, but there are many types of work that do not have a price, and yet are part of the GDP. Examples include public administration, or education. And perhaps one does not even need a definition for the GDP in a technical book on economics. Instead, a definition of 'Dutch disease' would have been good to provide, mentioned six times throughout the book.

Much more disturbing than mistakes are the contradictions that would have been much less possible to weed out by a conscientious proofreader or editor.

László Csaba enters the battlefield as the crusader of a religion bringing 'salvation': liberalism (even though he has new coats of arms on his shield: that of new institutional economics, moreover, new political economy). It is commonly known that such religions are inpatient because they regard themselves the only true faith. The reviewer observes the world from a position much more tolerant than that, so he respects the author's 'faith', and only refers to a few among the instances where the author has clearly or implicitly come in contradiction with himself.

■ In the introductory chapter the author discourages the use of the term *transition economy* saying that '... it means no less than having limited duration' (p. 29). If the reviewer has the liberty of looking around for a good argument, than he can say that of course the word does not have that meaning just as the existence of the transition coat [Hungarian compound word for coats worn in spring and autumn] is not anymore limited in time than that of a winter coat... (of course a transition economy, unlike the coat is temporary (transitional) in its very character, i.e. it will probably sooner or later become a real market economy.) Our problem is simply that after this point the author goes on to use that phrase with full confidence, and makes frequent allusions to the 'science of transition'.

■ 'In overlap with the literature on growth and development, our analysis also highlighted the *central role of savings by private individuals,* as a kind of fixed point of departure' one reads on page 455. Five pages onward, still in the same chapter we see the whole issue in a different perspective: 'The more seriously we take the recognition of the new paradigm of development economy, i.e. that the primary fuel to growth is not capital accumulation, instead, growth is brought about by a good number of policies and institutions *together*... (p. 460)

■ 'In Hungary the political class has until most recent times resisted to the concept of the ministry of European affairs, last emerging in 1994. In 2004 a solution was found as a result of personal arrangements/combinations that I considered as approaching the right direction, where both the allocation of funds and representation of EU interests were partly controlled by the same hand, functionally moving beyond the non-EU-minded, traditional division of sector-based cabinet structure.' (footnote on page 229) One only needs to turn one page, and on page 231 in a section arguing for the importance of de-centralisation the reader sees the following: '*That is exactly the opposite of the practice of the previous decade and a half, when a handful of experts handled EU affairs working in close working relationship either with a Minister in a super ministry or the prime Minister.*'

■ Similarly to the author, the reviewer is not a subscriber of mathematical economics, and can also accept if someone is a little sceptical about the results of this 'ancillary science'.

What the reviewer finds difficult to tolerate is only that if the findings of modelling corroborate our statement, then the given discipline must be taken seriously, but when it does not, we should simply ridicule it. An example for the former: 'However, by comprehensive model-analysis it may be proved ...' (p. 277), and the example for the latter: That question may, of course, be modelled infinitesimally, and the result may be anything depending on the definition of the result and hypothesis.' (p. 246.)

■ The author, requiring with unswerving rigour governments, central administration systems to create good institutions, to comply with laws, and regulations, turns a blind eye with amazing generosity to the features of the Russian developments, unacceptable by European standards. 'Reference to the "theft of the century", i.e. the shady privatisation deals of the 90s is probably a feeble argument if one only thinks of the 18-19th century history of the United States. That was namely the birth of the rule saying that it was not polite to inquire about the origin of the first million dollars. The stories of gold diggers, and robbers, merciless slave owners, and barons were sung by literature, and sociology, and yet private property became part of the establishment in America.' (p. 329) I do not think that we may accept 18-19th century standards at the turn of the 20 and 21st century. Let us just imagine what grading Hungary would have deserved in the late 1980s from the Unites States if the latter had applied the American human rights standards of the 1940s or the 1960s in conjunction with the minorities... Interestingly, the author is not so tolerant with China, and applies to them the standards of present day America: 'While a large number of the legislative loop-holes enabling abuse in the wake of the initiatives of the Sarabanes-Oaxley- [correctly: Sarbanes-Oxley-] committee were closed, and those responsible were held accountable in court, in China creative accounting is still daily practice.' (p. 379) Once we mentioned the historicity of things let us refer to the example of *chaebols* and *keiretsus.* These South-Korean, and Japanese corporate empires come up in the book as negative examples through the crisis that they exemplify, while perhaps they do not deserve that one-sided reference, forgetting the role they played in the industrialisation, and rapid progress in world economy of their respective countries. Their crisis related to these formations may justify the view that they are unsustainable, in which case one would deny them the potential for development, and adaptability. The same approach would justify qualifying the institution of the market economy an unsustainable formation, whereas it is just its openness to change, and adaptability that ensures its lasting existence.

■ Perhaps the greatest theoretical and economic policy dilemma discussed in the book is how much countries resemble each other, and to what extent, and under what circumstances solutions elaborated in one country/group of countries may be applied in another. On the one hand we read in László Csaba's book that '... whatever holds for OECD countries should hold for poor countries as well' (p. 117), but – very correctly – the author suggests that this is only one side of the coin. The author recognises, and we may appreciate that as a significant move forward in the light of his classic liberal mentality, that *one-size-fits-all* does not exist: 'For example a formal legal solution that operates perfectly in one country may simply prove to be irrelevant in a different cultural setting. Similarly, differences in social values may result in hardly any demand for leading edge solutions.' (p.221) Or: 'If solutions without appropriate foundations were forced to apply, they usually failed' (footnote to p. 161) Further: 'The above seems to corroborate the argument already supported from several sides that common objectives may be achieved presumably by *different methods* in different countries. In the labour market dominated by cultural and social traditions that plausibly cannot be any different, as the group achieving the best results includes Austria known for its corporative traditions with an unemployment rate of 4.6% as the flagship of the free-market solutions, and Ireland (4.2%).' (p. 228) And the conclusion: '…it is not possible to create a policy or institution system valid for every age and every country, i.e. one that is *interpreted as the optimum at the level of economic theory.*' (p. 446) The ideas quoted above justify for us the question mark in the title of our review.

■ It is likewise clear that the converging countries must not seek individualistic solutions, at least this is what experiences of recent history suggests to the author. 'Foreign banks gaining ground, trans-nationalisation of companies, the acceptance of the pace-maker role of operating capital, *active role* in the new order of global and trans-national regulation (and taking over existing solutions instead of criticising them), taking over global standards ultimately form one logical chain. That is why it is not by chance, rather, it is a necessity just as *diverse groups formed along the same fault among emerging markets.*' (p. 159 the underlining is mine – T. H.). Follow-up countries are reprimanded sometimes just because of imitating others: 'The often unenlightened, market-protecting or simply ineffective solutions of the older EU member countries as e.g. tertiary education producing mass unemployment found followers easily.' (p. 202) Some countries do not simply imitate, but clearly ape others ahead of them: 'That feeds a hope that the spontaneous liberalisation of the labour market will bring better results than the aping of the Western-European solutions…' (p. 60) The only remaining question is who decides which institutions to take over, and which should be kept out of reach of converging countries.

There is hardly an author in the Hungarian economic profession to corroborate arguments with more references than László Csaba. At the same time we are somewhat surprised at the small number of original documents in the literature list apart from statistics. The author often relies on second-hand information, and sources, even though one should be fair to add that such information and sources are ones of high standards. The same deficiency is quite striking with EU subjects: László Csaba e.g. analyses and evaluates in several chapters the Stability and Growth Pact without referencing it a single time. The large number of references also appropriately reflects that the author likes to elaborate his ideas in a reflective (not infrequently self-reflective) manner, and clash is his life blood. Of course we do not object the fact that László Csaba disagrees with many (after all that is a basic feature of scientific learning), but often he does not argue with them, but grades them briefly and categorically.

László Csaba's sizeable volume of over 43 printed sheets is a piece of writing of particularly high standards: it comprises a remarkably rich pool of facts, and excellent argumentation to support theoretical conclusions. There are certainly economists who cannot identify with his every statement, or proposition, however, one thing is for certain: everyone can learn a great deal from it. And the hypothetical state, which in accordance with the reviewer is the main message of the book, namely that the states of the rising Europe will become countries where stable institutions, predictable rules ensure stability, where well trained, top standard officials serve the public good (rather than the interests of individual groups), where the latter do not spoil market mechanisms by hustling and bustling, but take care of those in disadvantaged positions, well, that state is an attractive perspective for all economists. The book will certainly convince those opponents of liberalism of the invalidity of their views who criticise this regime just because it ensures the fastest sustainable growth…

Some years ago Béla Csikós-Nagy, a decisive figure of class IX of the Hungarian Academy of Sciences, the honorary former chairman of the Hungarian Society of Economists told the writer of the present review that after the last election of academics he ran into László Csaba in a restaurant, and told him only this: 'You will be next'. We are convinced the book titled The rising Europe greatly contributes to the realisation of Béla Csikós-Nagy's prediction (just as his predictions materialised many times before).

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And finally a remark: it is not clear why prestigious publishing houses fail to have their publications checked by a proof-reader. That should not be allowed even if the author is a leading teacher or researcher. Even the most famous opera singers are not ashamed to work with a music director, and precaution – as the present volume proves – is not unnecessary with anyone. The music director may call to mind the proof-reader, and the proof-reader may remind us of spelling. It is strange that Akadémia Publishing House has difficulty printing a simple small letter (namely ä), and that it consistently divides the Hungarian conjunction 'vagyis' as 'va-gyis' ('that is')! We could mention by the same token the fact that the system called 'beszolgáltatás' (a kind of in-kind tax) occurring in several eras of Hungarian history is not the same as 'beszállítás' (supply). (p. 374) The names of F. Mitterrand former French president of the republic and *Gyula Zsivótzky*, former olimpic champion and even the name of *Frits Bolkenstein*, who was among others chairman of the Liberal International. The name of *Ferenc Jánossy* comes up once correctly, once as Jánosy in the same footnote. The examples quoted above suggest that privatisation – at least in the world of science – is not necessarily always an advantage…

Tamás Halm

NOTE

[1] In this quotation and in the following ones – unless otherwise indicated – highlighting follows the original. (editor)